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IPAC SPECIAL STUDY

Maritime Boundary Disputes in the South China Sea(U)

JUNE 1978

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**Maritime Boundary
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JUNE 1978

**Prepared by
INTELLIGENCE CENTER PACIFIC (IPAC)**

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PREFACE

1. PURPOSE. This Special Study highlights areas where border disputes occur, or overlapping claims conflict, in the South China Sea.
2. DOCUMENT CURRENCY. Information presented is current as of 1 May 78.
3. PUBLICATION AUTHORITY. This study is produced and distributed under the authority of Commander in Chief, Pacific, and is listed in the Defense Intelligence Production Schedule AN260.
4. AUTHOR. This study was written by Major John C. Hartley, Australian Regular Army, of the Intelligence Analysis Branch (I24), Intelligence Center Pacific.
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DAN T. WADDLE
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CONFIDENTIALMARITIME BOUNDARY DISPUTES IN THE SOUTH CHINA SEA

The South China Sea has considerable potential for both modern fishing and offshore drilling because of extensive continental shelves (more than half the area is less than 100 fathoms), relatively shallow depths, and the influx of numerous continental rivers. Fish and petroleum are the most valuable resources although natural gas, tin, and apatite are potentially exploitable. The recent spate of unilaterally established 200-nm economic zones (EZ) has turned more than 200 islands, reefs, and adjacent offshore areas into valuable real estate because they can be incorporated into baselines for declaring EZ's.

Disputed areas in the South China Sea are:

- a. A potential Malaysian EZ, based on Sabah, which would overlap Philippine claims in the Spratly Island Group.
- b. An overlap of Thai-Malaysian claims in the southern Gulf of Thailand.
- c. The Gulf of Thailand where Thai, Vietnamese, and Cambodian claims overlap.
- d. The Spratly Island Group where Vietnamese, PRC, ROC, and Philippine claims conflict.
- e. The Paracels where the PRC and the SRV claim islands.
- f. An overlap of Indonesian and SRV claims north of the Natuna Islands.

A dispute between the PRC and SRV may develop west of Hainan Island where the PRC reportedly has found oil.

Except in the case of the SRV-Cambodian dispute, it is unlikely that armed conflict will take place unless oil were found in large commercial quantities. The SRV-Cambodian border conflict could extend to include the disputed islands. However, the lack of naval capability on both sides probably would restrict operations to the offshore islands only.

Apart from the Gulf of Thailand conflict involving the SRV and Cambodia, potential armed conflict over oil probably is restricted to the Indonesian-SRV dispute and the Spratly Island Group. In the former case, Indonesian naval superiority would exclude the SRV while the PRC is the only country capable of enforcing its presence in the Group.

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Although the region as a whole has been moderately exploited, certain areas including the northern Gulf of Thailand, the mainland shelf between Hainan Island and the Taiwan Strait, and waters adjacent to the Philippines have been over-fished. Fishing operations are increasing; traditional, large-scale commercial fishing fleets are owned by the PRC, Hong Kong, Taiwan, and Singapore, while Thailand and the Philippines recently have developed large fleets, and Japan has increased its fleet in the area by 75 percent in the last 10 years. Larger commercial trawlers are being forced to extend their operations further afield; confrontation between them and smaller coastal fleets is becoming more frequent.

Numerous mining operations in Southeast Asia are finding it increasingly difficult to locate economic deposits of sufficient size and grade and are beginning to turn their attention to potential offshore reserves. Seabed deposits of gold, platinum, and chromite are found usually within 5 miles of onshore deposits. Indonesia is dredging offshore tin deposits around Banka Island while other offshore areas of potential interest are located in the Riau Archipelago, southeast of Singapore, and in the Anambas and Natuna Islands area. The other major mined resource in the South China Sea is apatite, a calcium phosphate rock which is a source of phosphate for chemicals and fertilizers. Significant deposits are found in the Paracel Islands and large reserves may be located off the east coast of Vietnam.

Since the 1960's, Southeast Asian fuel requirements have increased four-fold. By 1974, much of the shelf area was leased for drilling concessions. Although reserves exist, they do not approach the size of the Persian Gulf fields, or those off eastern Kalimantan. Natural gas deposits may be larger. The most productive offshore area in the South China Sea is the eastern Sunda Shelf north of Brunei, Sarawak, and Sabah.

Oil Concession Disputes

A number of disputed claims have resulted from the leasing of oil concessions (Figure 1).

a. Natuna and Anambas Islands (Figure 2). In mid-1975, Indonesia leased several offshore concessions around these islands. Although an agreement was reached with the Malaysian government over the demarcation of concession boundaries, the SRV disputes a major portion of the northern sector.

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b. Gulf of Thailand (Figure 3). Thailand, Malaysia, Cambodia, and the SRV have overlapping claims in the area. Natural gas has been found in the Thai-Malaysian overlapping claim. Both Thailand and the SRV claim substantial areas of Cambodia's claim.

c. Gulf of Tonkin. A recent PRC oil strike west of Hainan Island and continued seismic surveys in the area probably will be disputed by the SRV.

d. Spratly Island Group (Figure 4). Recent Philippine drilling activity on Reed Bank is in an area east of the Group proper; however, the PRC has reasserted its claim to sovereignty over the islands and the sea around them.

Disputed Islands

The current interest in oil exploration and extended claims from baselines drawn to islands has made the ownership of certain islands in the South China Sea a major source of friction. The islands involved include those in the Gulf of Thailand, the Paracels, and the Spratly Island Group.

a. Gulf of Thailand (Figures 3 and 5). The dispute between Cambodia and South Vietnam concerns an historical conflict over islands near the mainland and a dispute over smaller, more distant islands used in drawing median lines to delimit seabed exploration rights. Current occupancy is shown in Table 1. Cambodia claims not only all islands north of the Brevie Line but Phu Quoc, Hon Panjang, and the South Pirates as well. The SRV claim extends as far north and west as Milieu, Eau, and Baie, all of which are close to Cambodia's shore. The more recent dispute involves smaller islands (Poulo Wai, Depond, and Hon Panjang). By simultaneously claiming these small islands, both countries overlap by 24,000 square miles. Although talks were held in 1973, 1975, and 1976, no solution has been reached. The Thai-Cambodian dispute probably centers on the ownership of Ko Kut Island near Cambodia's western frontier. Although Phnom Penh's claim to the island is based on a French-Siamese treaty of 1907, Thailand is unwilling to relinquish its counter-claim.

b. The Paracels. In Jan 74, PRC troops expelled Vietnamese forces from the Paracels and established what appears to be permanent control over the islands.

c. Spratly Island Group (Figure 6). Filipino authorities claim a proprietary interest in the entire undersea plateau lying west of Palawan, even though the plateau is separated from Palawan Island by a channel roughly 75 miles wide and 500 fathoms deep.

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They say that private citizen Tomas Cloma explored the northern islands of the Spratly group between 1947 and 1950 and laid national claim to seven listed below:

<u>Chart Name</u>	<u>Filipino Name</u>	<u>Location</u>
Northeast Cay	Parola	1127N/11421E
Thitu	Pagasa	1103N/11416E
Loaita	Kuta	1041E/11425E
West York	Likas	1103N/11502E
Flat	Patag	1050N/11549E
Nanshan	Lawak	1044N/11548E
Lankiam Cay	Panata	1045N/11434E

Known to the Filipinos as Freedomland, the islands lie within a triangular area of about 60 miles by 150 miles. The Spratly Island Group, in contrast, stretches some 390 miles from east to west and 420 miles from north to south. The SRV claims that its rights to the Group date back to 1802, and that France transferred these rights to the RVN following World War II. The Hanoi government's position is that the former French rights belong to a single Vietnam. SRV took control of the following islands in 1975:

Song Tu Tay	(Southwest Cay)	1122N/11418E
Son Ca	(Sand Cay)	1023N/11424E
Nam Yet	(Namyit Island)	1010N/11422E
Sinh Ton	(Sin Cowe Island)	0950N/11428E
An Bang	(Amboyna Cay)	0735N/11255E
Truong Sa	(Spratly Island)	0831N/11151E

The PRC reasserted China's historic suzerainty over most of the South China Sea area, including the Spratly Island Group, in 1956. The PRC took the Paracels from the RVN in Jan 74 and has restated its claim to the Group as recently as Mar 78. The ROC has a small permanent garrison on Itu Aba.

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The South China Sea will continue to be an area of tension, at least in the short-term. Armed conflict, however, is unlikely unless oil is discovered in large, commercial quantities.

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TABLE 1
ISLANDS IN THE GULF OF THAILAND

<u>English or French</u>	<u>Vietnamese</u>	<u>Cambodian</u>	<u>Geographic Coordinates</u>	<u>Last Known Status</u>
Phu Quoc	Dao Phu Quoc	Koh Tral	1018N/10400E	Vietnamese Inhabited, Garrison
Ile du Milieu	Hon Phu Du	Koh Thmey	1028N/10346E	Cambodian Garrison
Ile a l' Eau	Hon Nuoc	Koh Ses	1025N/10348E	Cambodian Garrison
Recif Depond (rocks awash)			0955N/10310E	Unknown
Poulo Wai			0956N/10256E	Cambodian Garrison
Hon Panjang			0918N/10328E	Possible Vietnamese Garrison
Peak (Ile du Pic)	Hon Antay	Koh Tonsay	1026N/10420E	Unknown
North Pirate Island	Hon Tre Nam	Koh Po	1024N/10420E	Unknown
	Hon Keo Nguo	Koh Angkrang	1022N/10419E	Unknown
		Koh Seh	1021N/10420E	Possible Cambodian Garrison
Ile de la Baie	Hon Vung	Koh Ta Kiev	1029N/10336E	Possible Cambodian Garrison
South Pirate Island	Hon Duoc		1016N/10418E	Unknown
Hon Da Bon			0922N/10322E	Unknown

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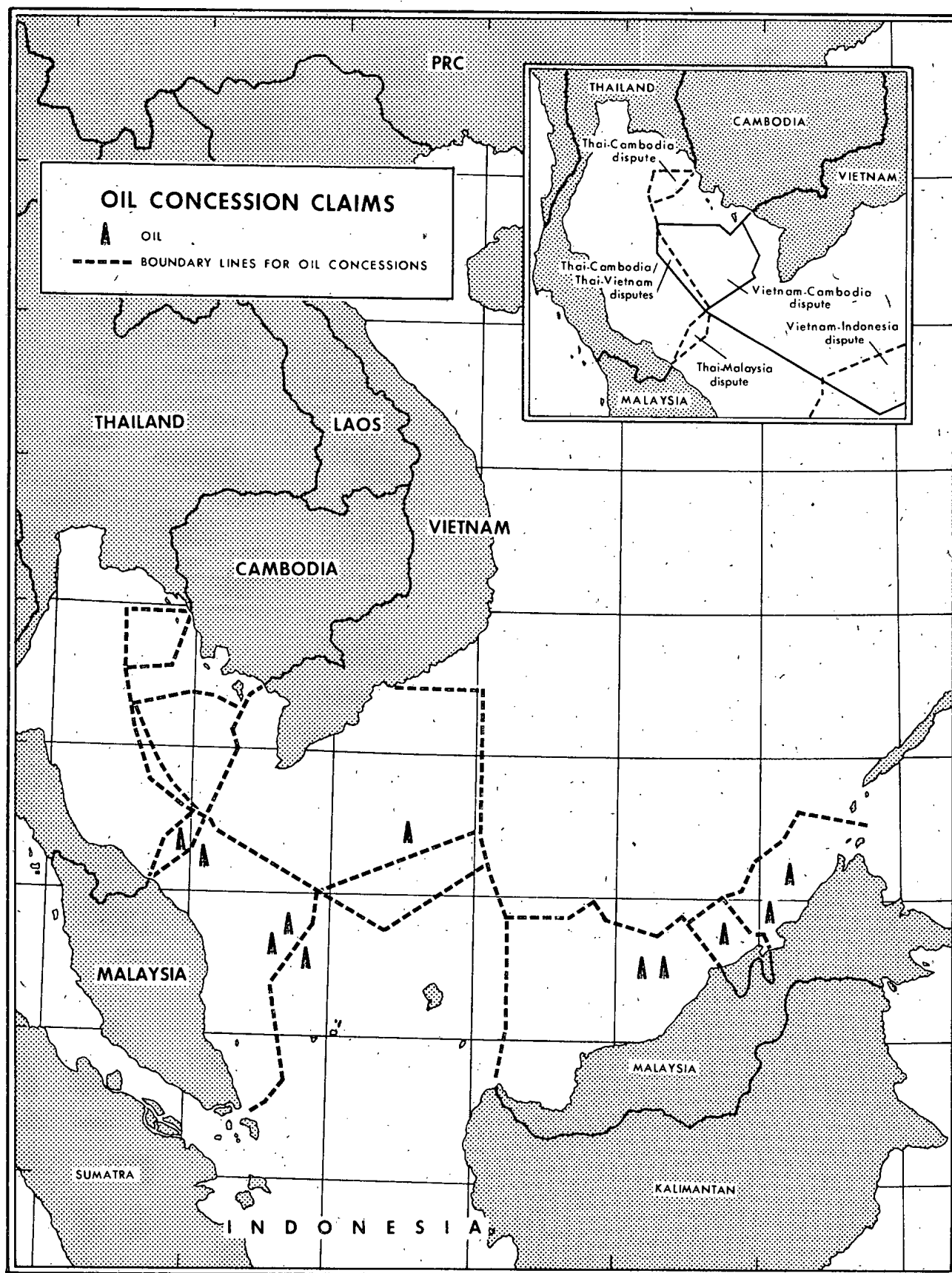


Figure 1

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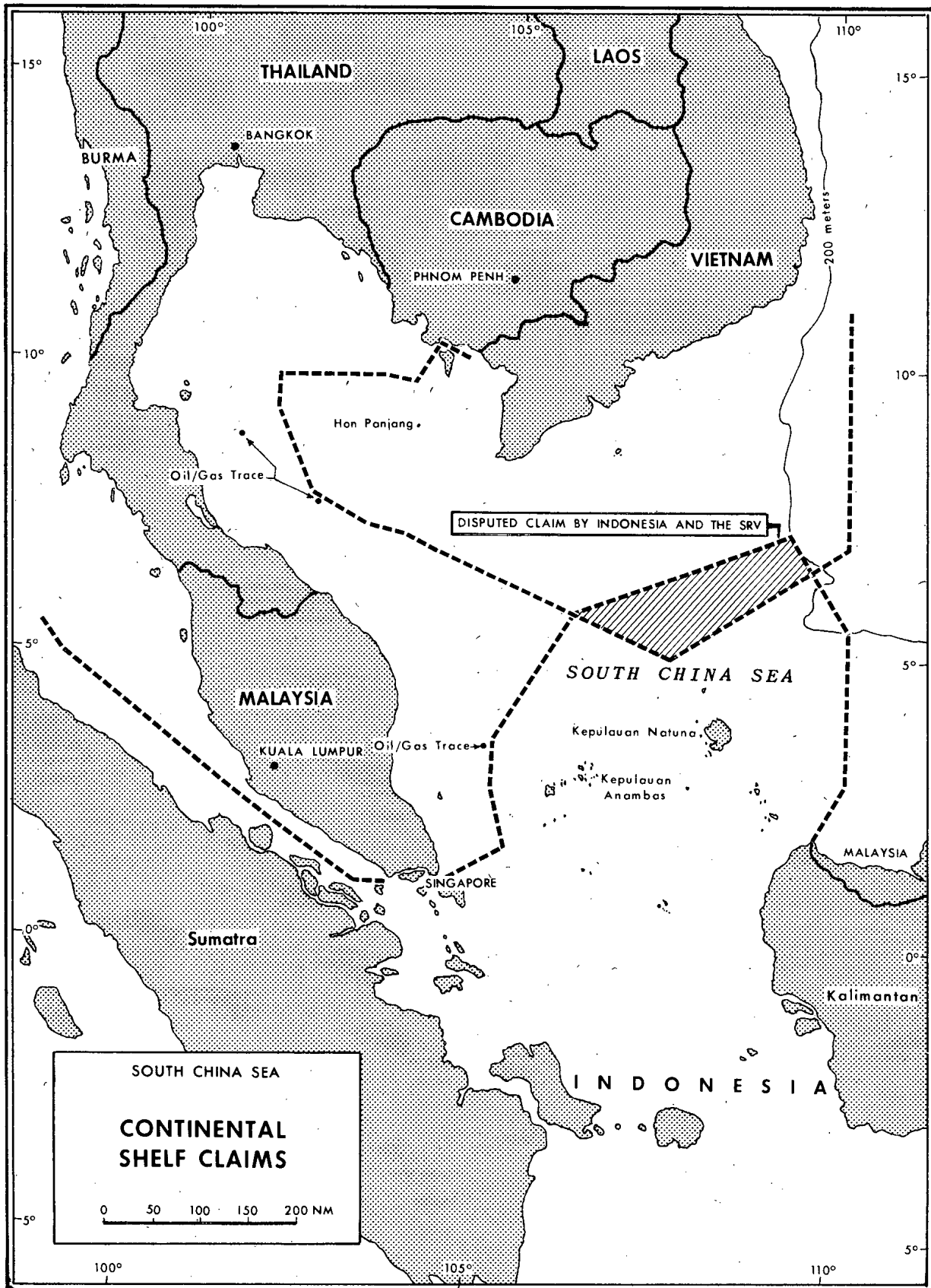


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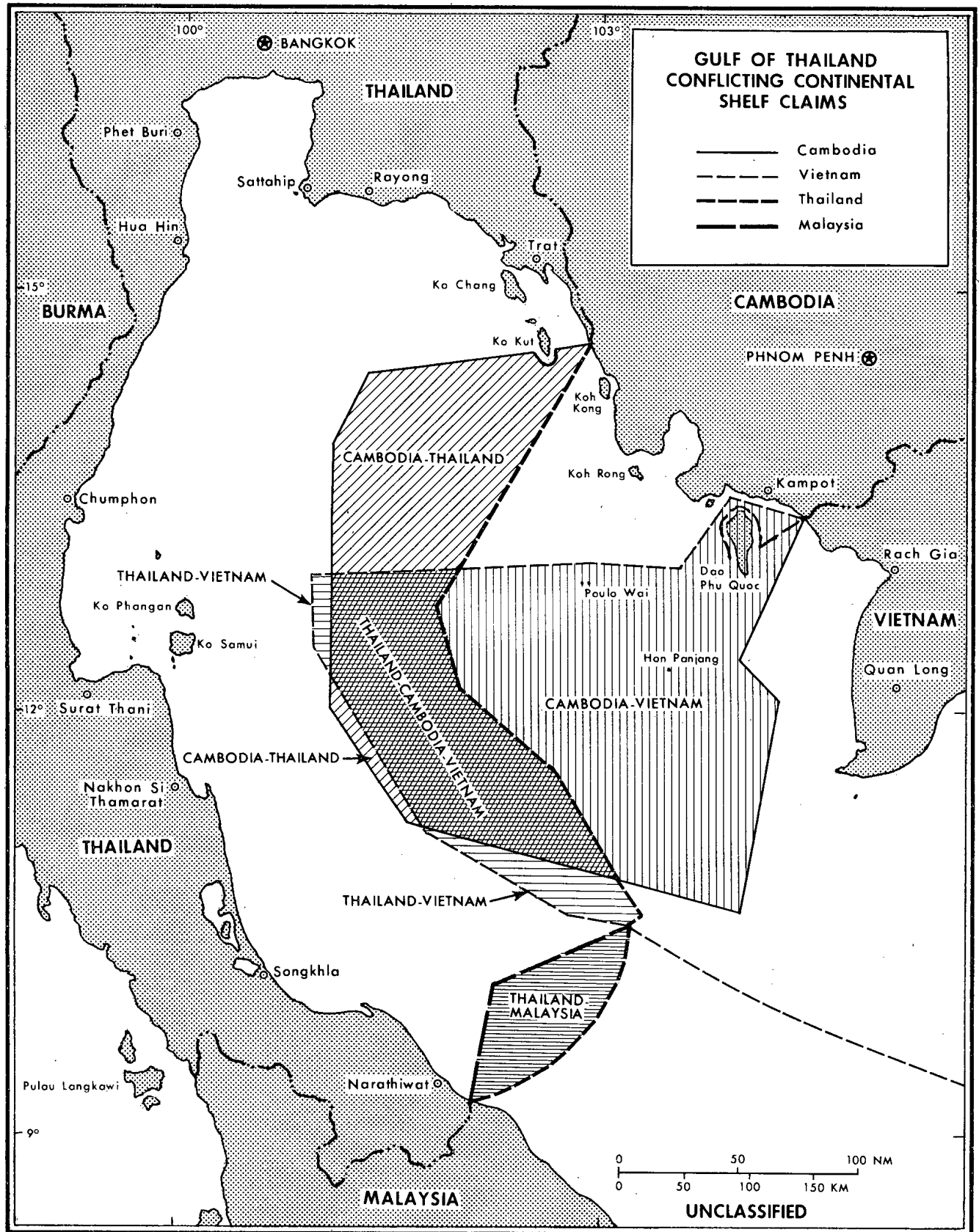


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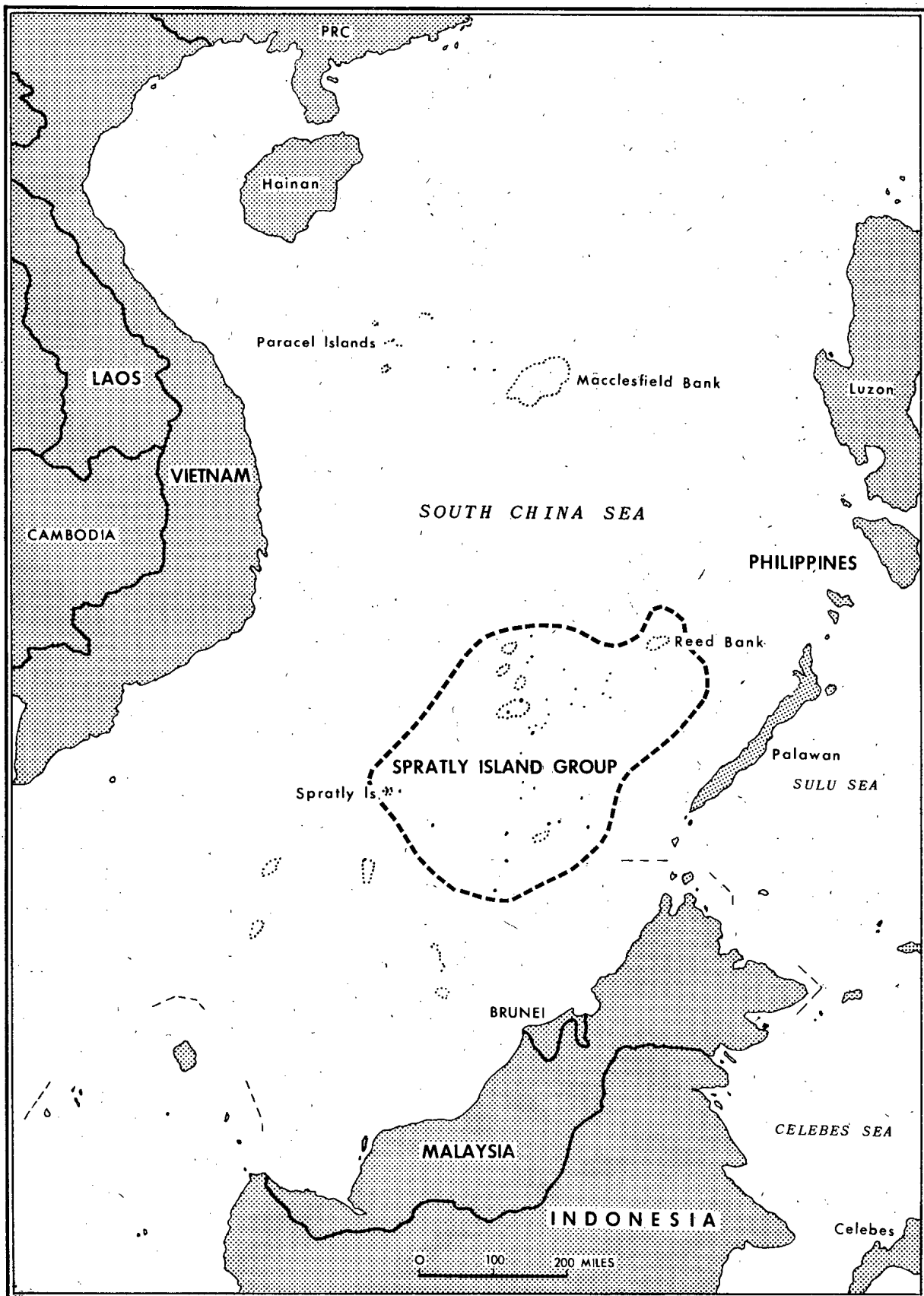


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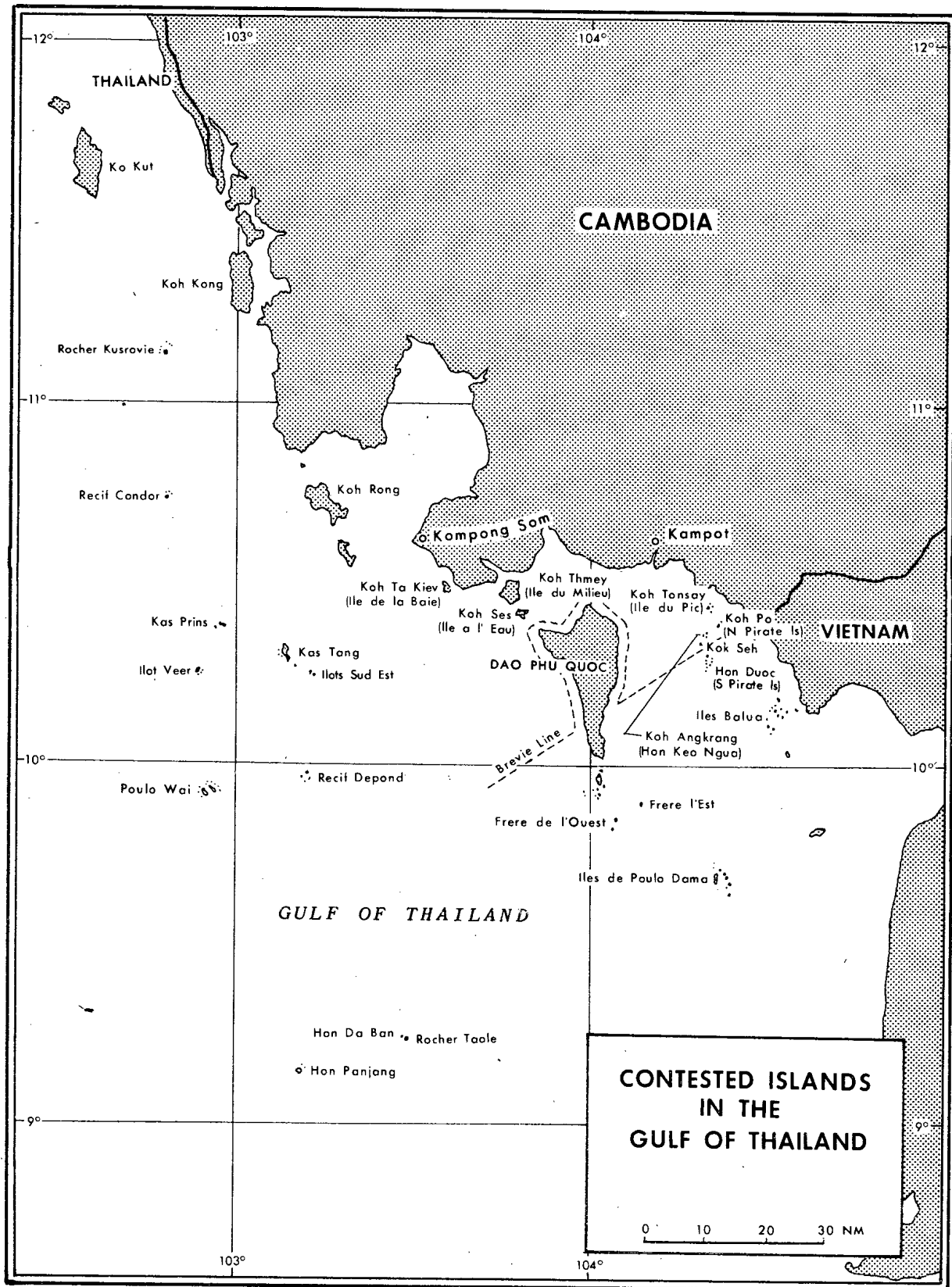


Figure 5

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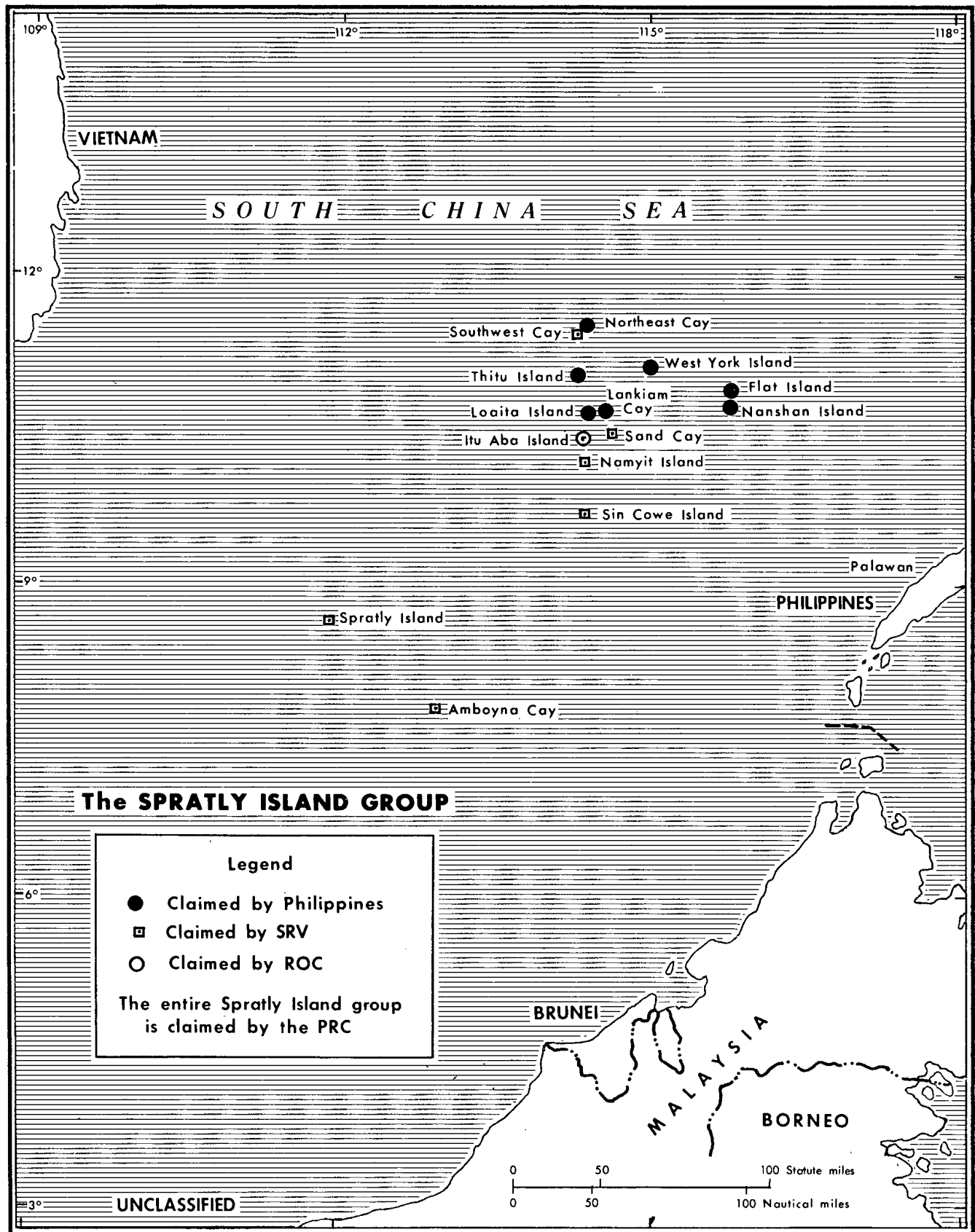


Figure 6

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C305-	18TH ABN CORPS	1	K300-	COMIPAC (IC-L)	1
C415-	5TH INF DIV(M)	1	K300-C1	IPAC (OI)	1
C428-	CD USA OP TEST&EVAL AGCY	1	K300-C2	IPAC (I-2)	1
C459-	COMD-GEN STF COL	1	K300-C3	IPAC (OS)	1
C470-	ARMY WAR COL	1	K300-C4	IPAC (R-5)	1
C500-	TRADCC	1	K300-C5	IPAC (DR)	1
C562-	TRANS SCH	1	K300-2C	IPAC (IAG)	1
C605-	JFK CTR MIL ASSIST	1	K310-C1	INSCOM DET HAWAII	1
C619-	MIA REDSTONE	1	K312-	IPAC (I-1)	1
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